

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: INTERSTATE POWER COMPANY	DOCKET NOS. WRU-99-25-150 EEP-94-40 TF-99-178 TF-99-179 (ECR-96-1)
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**ORDER GRANTING WAIVER, DOCKETING PROPOSED MODIFICATION AND
PROPOSED TARIFFS, SCHEDULING PRUDENCE REVIEW, SETTING
PROCEDURAL SCHEDULE, AND ORDERING FILING OF REFUND PLAN**

(Issued July 14, 1999)

On June 11, 1999, Interstate Power Company (Interstate) filed with the Utilities Board (Board) a request for waiver identified as WRU-99-25-160. In its request, Interstate asked the Board to grant a waiver of the IOWA ADMIN. CODE 199-35.12(2) requirement that it file by March 1 of each year the energy efficiency costs proposed to be recovered in rates for the 12-month recovery period beginning at the start of the first billing month following approval by the Board. The Board had previously granted Interstate's request for waiver to allow it to file its energy efficiency costs on August 1, 1999, so that its recovery would coincide with the previously approved 12-month implementation period. In this request, Interstate is now requesting the Board allow it to file June 11, 1999, so that it will file jointly with IES Utilities Inc. and gain efficiency in preparing its filings.

The Board will grant the waiver because it will at some time in the future become more efficient for the two utilities to prepare their filings pursuant to the same time frame. The Board will grant the waiver request.

On June 14, 1999, Interstate filed an application to modify its energy efficiency plan and budget plan and budget, pursuant to IOWA ADMIN. CODE 199-35.12. The plan, identified as Docket No. EEP-94-40, was originally approved by the Board on September 8, 1995. The 1999 proposed modification would reduce Interstate's total program budget by \$1,853,322, or by about 20 percent for electric programs and about 30 percent for gas programs.

All parties to the docket in which the plan was approved have been served copies of the application to modify. No party to the docket in which the plan was approved has filed an objection. Nevertheless, the Board is concerned with Interstate's continued reductions in spending on energy efficiency programs and will docket the proposed modification and tariff filings for further investigation. Pursuant to IOWA ADMIN. CODE 199-35.6(6)"d," the Board finds there are reasonable grounds to investigate the proposed modifications. It appears from Interstate's filing that the budgets of the programs Interstate proposes to reduce are the programs that are still cost-effective. In fact, the programs with the largest proposed reductions appear to be the most cost-effective. If Interstate wants to reduce spending on energy efficiency, it must provide justification for why it believes it is reasonable to reduce its spending for cost-effective energy efficiency programs.

In addition, in light of Interstate's continuing spending reductions and refund situations, the Board will at the same time evaluate the reasonableness and prudence of Interstate's implementation of its approved plan, pursuant to IOWA CODE § 476.6(19)"e" (1999). This prudence review will be conducted in conjunction with the proceeding to review Interstate's proposed modification. It is difficult for the Board to make a decision regarding the modification without also evaluating how

Interstate has implemented its approved plan. Therefore, Interstate should provide evidence regarding its efforts in implementing its currently approved energy efficiency plan, as required by IOWA ADMIN. CODE 199-35.13(1) (1999).

Even though the Board will docket the proposed modification and the accompanying tariff filings identified as TF-99-178 and TF-99-79, the Board will direct Interstate to file a proposed refund plan to immediately implement its proposal to refund to customers all amounts it over collected for the current recovery period. Interstate proposed the refund would take place through bill credit in September. Interstate must file a plan for refunds 20 days from the date of this order.

IT IS THEREFORE ORDERED:

1. The application to modify energy efficiency plan filed by Alliant Energy-Interstate Power Company on June 14, 1999, identified as Docket No. EEP-94-40, is docketed for investigation. The tariff filings identified as TF-99-178 and TF-99-179 are suspended.

2. The following procedural schedule is established:

a. All parties shall file prepared direct testimony, with underlying workpapers and exhibits, on or before September 15, 1999. If a party references a data request in its prepared testimony, the data request shall be filed as an exhibit.

b. All parties shall file rebuttal testimony, with underlying workpapers and exhibits, on or before November 3, 1999.

c. The parties shall file a joint statement of the issues on or before November 8, 1999.

d. A hearing shall be held beginning at 10:00 a.m. on November 15, 1999. The parties shall appear one-half hour prior to the time of the hearing for the purpose of marking exhibits. The hearing shall be held in the Iowa Utilities Board Hearing Room, 350 Maple, Des Moines, Iowa.

Persons with disabilities requiring assistive services or devices to observe or participate should contact the Utilities Board at (515) 281-5979 in advance of the scheduled date to request that appropriate arrangements be made.

e. The parties may file simultaneous initial briefs on or before November 22, 1999.

f. All parties who filed initial briefs may file reply briefs on or before November 29, 1999.

3. In the absence of objection, all underlying workpapers shall become a part of the evidentiary record of these proceedings at the time the related testimony and exhibits are entered into the record.

4. In the absence of objection, all data requests and responses referred to in oral testimony or on cross-examination which have not been previously filed shall become a part of the evidentiary record of these proceedings. The party making reference to the data request shall file an original and six copies of the data request and response with the Board at the earliest possible time.

5. In the absence of objection, when the Board has called for further evidence on any issue and the evidence is filed after the close of the hearing, the evidentiary record will be reopened and the evidence will become part of the record five days after the evidence is filed with the Board. All evidence filed pursuant to this

paragraph shall be filed no later than seven days after the close of the hearing in this proceeding.

6. Interstate shall file a plan for refund of amounts overcollected for the current recovery period on or before 30 days from the date of this order.

7. The request for waiver identified as Docket No. WRU-99-25-160 is granted.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Raymond K. Vawter, Jr.
Executive Secretary

/s/ Diane Munns

Dated at Des Moines, Iowa, this 14th day of July, 1999.